

BUDGET, FINANCE & INVESTMENT COMMITTEE

May 10, 2012

5:30 P.M.

Courthouse

MINUTES:

<u>Members Present:</u>	<u>Others Present:</u>	<u>Others Present:</u>	<u>Others Present:</u>
Comm. Charlie Baum	Ernest Burgess	Lisa Nolen	Wanda Watkins
Comm. Joe Frank Jernigan	Teb Batey	Sonya Stephenson	Joe Russell
Comm. Will Jordan	Comm. Jeff Jordan	Janet Bowman	Philip Martin
Comm. Robert Peay, Jr.	Laura Bohling	Harry Gill	Mac Nolen
Comm. Steve Sandlin	Heather Dawbarn	Gary Clardy	Delwyn Corbitt
Comm. Doug Shafer	Judge Donna Davenport	Jeff Sandvig	Scotty Caroom
Comm. Joyce Ealy, Chrm.	Bill Boner	Mike Nunley	Roy Le Loup
	Robert Arnold	Bernard Salandy	Scott Broden
		Michael Gregory	Elaine Short

Chairman Ealy presided and called the meeting to order with all members being present.

APPROVE MINUTES:

The minutes of the April 5, 2012 Budget Committee meeting were presented for approval.

Comm. Jordan moved, seconded by Comm. Sandlin to approve the minutes as presented.

The motion passed unanimously by acclamation.

JUVENILE COURT BUDGET AMENDMENT:

Judge Donna Davenport was present to request approval of the following budget amendment to provide additional funding for Other Contracted Services, because the demand and use of the magistrate has exceeded all expectations:

From: 101-39000 - Unassigned Fund Balance -	\$10,000
To: 101-53500-399 - Other Contracted Services -	\$10,000

Comm. Peay moved, seconded by Comm. Shafer to approve the budget amendment for the Juvenile Court as requested amending \$10,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-53500-399, Other Contracted Services.

The motion passed unanimously by roll call vote.

INVESTMENT REPORT:

Mr. Teb Batey, Trustee, presented the monthly Investment Report for the use and information of the committee advising that the LGIP interest rate remained at .12%. He reported that three investment transactions occurred during the month, which provided better interest rates than LGIP. He also reported that the participation from the banking institutions was still not what he would like it to be or what had been experienced in the past.

Following review, Comm. Jernigan moved, seconded by Comm. Sandlin to approve the Investment Report as presented.

The motion passed unanimously by acclamation.

FUND CONDITION REPORT:

Finance Director Lisa Nolen presented the monthly Fund Condition Report advising that the Development Tax collections for the month totaled \$358,500. The year-to-date collections were

\$1,370,250. This compared to the same period last year, when the monthly collections were \$81,000 and the year-to-date collections were \$735,750.

Mrs. Nolen advised that the sales tax collections for the month of March were ahead of the same period last year by nine percent for the entire county.

The committee reviewed the fund cash balances, which totaled \$225,507,976 with operating funds being \$181,010,330 and borrowed funds being \$44,497,647. This compared to the same period last year when the total cash balances were \$182,283,209 with operating funds being \$179,469,488 and borrowed funds being \$2,813,721.

The Finance Director reviewed the revenue collections advising that the Solid Waste Fund had already received 100% of the 11-12 revenue projections. She advised that the revenue collections for all funds exceeded the same period for the previous five years, which meant that the revenue estimates for all funds would be increased at the June meeting.

Comm. Sandlin asked about the cash balances remaining for the Sheriff's Dispatch Office and the Firing Range.

The Finance Director advised that the Sheriff's Dispatch Office was almost complete, but there might be a few outstanding invoices.

The Finance Director advised that the Sheriff's Firing Range should also be almost complete.

Mayor Burgess advised that there were some outstanding issues regarding the firing range, and he would follow up on those issues.

Comm. Shafer asked which areas in the county were showing the largest increase in the sales tax.

Mayor Burgess advised that all of the municipalities were doing well, with the largest increases being in the City of Murfreesboro with an increase of 9.2%, the Town of Smyrna being up by 5.5%, and the City of La Vergne being up by 6.1%.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to approve the Fund Condition Report as presented.

The motion passed unanimously by acclamation.

INSURANCE REPORT:

The Finance Director presented the monthly Insurance Report advising that the cost per employee per month for the medical, vision, and dental plan was \$853.56 compared to \$652.82 for the same period of the previous year. When including the on-site medical clinics, the cost per employee per month was \$903.81 compared to \$704.42 for the same period in the previous year. The year-to-date average cost was \$841.77 compared to \$724.74 for the prior year with a trend of 16.1% over last year.

For the On-the-Job Injury performance, the year-to-date claims cost as of the end of April was \$903,207.21 compared to \$765,395 for the prior year.

Following review, Comm. Sandlin moved, seconded by Comm. Jernigan to approve the Risk Management Financial Report as presented.

The motion passed unanimously by acclamation.

2012-2013 RENEWALS FOR PROPERTY, CASUALTY, CRIME/PUBLIC OFFICIALS & EDUCATION LEGAL LIABILITY:

Ms. Janet Bowman, Account Manager from Cannon Cochran Management Services, presented the 2012-13 Property, Casualty, Crime/Public Officials and Education Legal Liability renewals for Rutherford County.

Ms. Bowman presented two payments to the county from the excess insurance carriers. The first payment in the amount of \$197,416.41 was from ACE USA, the excess carrier for the liability insurance. The second payment in the amount of \$15,684.15 was from Frontier regarding a Workers' Compensation claim from 1996.

Ms. Bowman advised that for the county's property coverage for 2012-13, the county's building values increased by three percent with expiring values of \$152,410,556, and the renewal values being \$157,403,248. There was no increase for the contents values.

The 2012-13 property values for the Board of Education increased by one percent with the expiring values being \$786,888,851 and the renewal values being \$794,129,937. The contents values increased by three percent with the expiring values being \$76,708,669, and the renewal values being \$78,412,045.

The total 2012-13 property, contents, and equipment values increased by 2% with the total expiring values being \$1,036,682,074 and the renewal values being \$1,050,619,228.

Ms. Bowman advised that for the 2012-13 casualty coverage the number of vehicles had increased by six percent, and the general operating expenditures of the county had increased by nine percent, which increased the county's exposure.

Ms. Bowman advised that for the 2012-13 crime/public officials, and educator's legal liability, the number of employees increased from 5,464 to 5,604, and the number of students increased from 38,122 to 38,431.

Ms. Bowman advised that Travelers was the current carrier for the property, contents, and inland marine coverage with a retention of \$100,000, the expiring total insured value of \$1,036,682,074, and expiring rate of \$361,802. The total current insured value was \$1,050,619,228 with a quoted premium of \$389,780. The county's exposure increased two percent, the premium increase was eight percent, and the difference between the two was six percent. She advised that the quoted premium was exactly the same as presented to the Insurance Committee.

Ms. Bowman advised that subsequently she had requested that Travelers provide another quote based on a \$200,000 retention. With the county assuming more exposure, the quoted premium reduced to \$362,998. She advised that the \$200,000 retention would be per occurrence, and the county would want to consider how many times either the \$100,000 or \$200,000 retention would have to be paid.

Ms. Bowman advised that in the current year, Travelers had paid out approximately \$375,000 in losses. She advised that the county would be receiving some recovery back from the excess insurance.

Ms. Bowman advised that the \$200,000 retention option would be something to reduce the premium.

Comm. Jordan noted that taking on an additional \$100,000 in retention, would only reduce the premium by \$26,782, and with one occurrence the county could potentially lose \$100,000.

Comm. Peay asked what the premium would be if the retention was reduced to \$50,000.

Comm. Jordan stated that the retention had been less, and the premium was so expensive that the retention was increased to \$100,000.

Comm. Peay stated that by the commission meeting he would like to see what the premium would be if the retention was reduced to \$50,000.

Mayor Burgess advised that Mrs. Stinson recommended staying with the \$100,000 retention.

Ms. Bowman advised that the carrier for the crime coverage was Great American with the quoted premium to remain the same at \$8,900 even though the exposure increased by three percent.

Ms. Bowman advised that the carrier for the casualty coverage was ACE USA. The expiring limits remained the same. She advised that initially ACE quoted a retention of \$200,000 for auto physical damage, but that had been negotiated down to \$100,000. The expiring retention for auto physical damage was \$25,000, but Ms. Bowman explained that ACE would probably be paying out \$300,000 to \$500,000 due to the hail damage claim of October 18, and that would exhaust ACE's premium from last year. The premium initially quoted was \$716,500 at the Insurance Committee, but due to the reduction in the retention for the auto physical damage, the 2012-13 renewal premium for the casualty would be \$709,500. The county's exposure increased by nine percent, but the premium increase was six percent.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jernigan to authorize the County Mayor to execute the 2012-2013 renewals for property coverage with the carrier being Travelers, a retention of \$100,000 and a premium of \$389,780; crime coverage with Great American with the premium to remain the same at \$8,900; and casualty coverage with ACE USA with a premium of \$709,500.

The motion passed unanimously by roll call vote.

AMBULANCE SERVICE FUND BUDGET AMENDMENTS:

Mr. Mike Nunley, Ambulance Service Director, requested approval of the following budget amendments to provide additional funding for the Gasoline Account and the Other Contracted Services Account, to provide additional funding to pay the billing company. The company has collected more this fiscal year than anticipated:

From:	118-34730 - Assigned for Public Health & Welfare -	\$70,000
To:	118-55130-425 - Gasoline -	\$70,000
Increase Revenue:	118-43120 - Patient Charges -	\$90,000
Increase Expend.:	118-55130-399 - Other Contracted Svc. -	\$90,000

The Finance Director requested approval of an Ambulance Service Fund budget amendment to provide additional funding to make a transfer to the Self-Insurance Fund for the payment of liability claims:

From:	118-34730 - Assigned for Public Health & Welfare -	\$10,000
To:	118-55130-505 - Judgments -	\$10,000

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the budget amendments for the Ambulance Service Fund as requested amending \$70,000 from Account 118-34730, Assigned for Public Health & Welfare, to Account 118-55130-425, Gasoline; to increase Revenue Account 118-43120, Patient Charges, by \$90,000 and to increase Expenditure Account 118-55130-399, Other Contracted Services, by \$90,000; and to amend \$10,000 from Account 118-34730, Assigned for Public Health & Welfare, to Account 118-55130-505, Judgments, to make a transfer to the Self-Insurance Fund for the payment of liability claims.

The motion passed unanimously by roll call vote.

GENERAL FUND BUDGET AMENDMENTS

COUNTY BUILDINGS:

The Finance Director requested approval of the following budget transfers for the County Buildings Department to provide additional funding for communications and utilities to complete the fiscal year utilizing available funds in Building Improvements:

From:	101-51800-707 - Building Improvements -	\$47,000
To:	101-51800-307 - Communications -	\$15,000
	101-51800-452 - Utilities -	32,000

Comm. Jordan moved, seconded by Comm. Shafer to approve the budget transfers for the County Buildings Department transferring \$47,000 from Account 101-51800-707, Building Improvements, with \$15,000 to Account 101-51800-307, Communications, and \$32,000 to Account 101-51800-452, Utilities.

The motion passed unanimously by roll call vote.

PROPERTY ASSESSOR/REAPPRAISAL:

Mr. Bill Boner, Property Assessor, was present to request approval of the following budget amendments to provide funding for the Overtime Pay and related benefits for a Reappraisal employee utilizing available funds in the Overtime Pay and related benefit accounts in the Property Assessor's budget:

From Property Assessor:	
101-52300-187 - Overtime Pay -	\$340
101-52300-201 - Social Security -	21
101-52300-204 - State Retirement -	43
101-52300-212 - Employer Medicare -	5
To Reappraisal:	
101-52310-187 - Overtime Pay -	\$340
101-52310-201 - Social Security -	21
101-52310-204 - State Retirement -	43
101-52310-212 - Employer Medicare -	5

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment for the Property Assessor and Reappraisal Departments as requested amending \$340 from Account 101-52300-187, Property Assessor Overtime Pay, \$21 from Account 101-52300-201, Property Assessor Social Security, \$43 from Account 101-52300-204, Property Assessor State Retirement, and \$5 from Account 101-52300-212, Property Assessor Employer Medicare; with \$340 to Account 101-52310-187, Reappraisal Overtime Pay, \$21 to Account 101-52310-201, Reappraisal Social Security, \$43 to Account 101-52310-204, Reappraisal State Retirement, and \$5 to Account 101-52310-212, Reappraisal Employer Medicare.

The motion passed by roll call vote with Comm. Shafer abstaining.

CIRCUIT COURT CLERK:

Mrs. Laura Bohling, Circuit Court Clerk, requested approval of the following budget transfers to ensure that enough funding would be available for Postal Charges and Office Supplies to complete the fiscal year:

From:	101-53100-719 - Office Equipment -	\$ 446
	101-53100-711 - Furniture and Fixtures -	2,500
	101-53100-499 - Other Supplies & Materials -	2,054
To:	101-53100-435 - Office Supplies -	\$ 1,000
	101-53100-348 - Postal Charges -	4,000

Comm. Peay moved, seconded by Comm. Shafer to approve the budget transfers for the Circuit Court Clerk as requested transferring \$446 from Account 101-53100-719, Office Equipment, \$2,500 from Account 101-53100-711, Furniture and Fixtures, and \$2,054 from Account 101-53100-499, Other Supplies and Materials; with \$1,000 to Account 101-53100-435, Office Supplies, and \$4,000 to Account 101-53100-348, Postal Charges.

The motion passed unanimously by roll call vote.

CORRECTIONAL WORK CENTER:

Mr. Bernard Salandy, Correctional Work Center Superintendent, requested approval of the following budget transfers to provide adequate funding for the Maintenance & Repair of the building to complete the fiscal year:

From:	101-54220-413 - Drugs & Medical Supplies -	\$5,000
	101-54220-418 - Equipment & Machinery Parts -	3,000
To:	101-54220-335 - Maintenance/Repair Building -	\$8,000

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget transfers for the Correctional Work Center as requested transferring \$5,000 from Account 101-54220-413, Drugs and Medical Supplies, and \$3,000 from Account 101-54220-418, Equipment and Machinery Parts, with a total of \$8,000 to Account 101-54220-335, Maintenance and Repair of Buildings.

The motion passed unanimously by roll call vote.

PET ADOPTION & WELFARE SERVICES:

Mr. Michael Gregory, PAWS Director, requested approval of the following budget transfers to provide funding to complete the fiscal year for Part Time Personnel, Overtime Pay, and Veterinary Services:

From:	101-55120-164 - Attendants -	\$13,000
	101-55120-302 - Advertising -	300
	101-55120-320 - Dues & Memberships -	300
	101-55120-340 - Medical & Dental Services -	50
To:	101-55120-169 - Part Time Personnel -	\$ 9,000
	101-55120-187 - Overtime Pay -	4,000
	101-55120-357 - Veterinary Services -	650

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget transfers for the PAWS Department as requested transferring \$13,000 from Account 101-55120-164, Attendants, \$300 from Account 101-55120-302, Advertising, \$300 from Account 101-55120-320, Dues and Memberships, and \$50 from Account 101-55120-340, Medical & Dental Services; with \$9,000 to Account 101-55120-169, Part Time Personnel, \$4,000 to Account 101-55120-187, Overtime Pay, and \$650 to Account 101-55120-357, Veterinary Services.

The motion passed unanimously by roll call vote.

MISCELLANEOUS:

Finance Director Lisa Nolen requested approval of the following budget amendment to provide additional funding to transfer to the Self-Insurance Fund for the payment of liability claims for the General Fund. Based upon the payment received from Janet Bowman from CCMSI, she advised that the amount of the amendment could be changed from \$400,000 to \$200,000

From:	101-39000 - Unassigned Fund Balance -	\$200,000
To:	101-58900-505 - Judgments -	\$200,000

Comm. Sandlin moved, seconded by Comm. Peay to approve the budget amendment as requested amending \$200,000 from Account 101-39000, Unassigned Fund Balance, to Account 101-58900-505, Judgments.

The motion passed unanimously by roll call vote.

EMPLOYEE BENEFITS:

The Finance Director requested approval of the following budget amendment to provide adequate funding for the health insurance matching for retirees of the General Fund:

From: 101-58600-205 - Employee Insurance -	\$27,645
101-39000 - Unassigned Fund Balance -	4,355
To: 101-58600-299 - Other Fringe Benefits -	\$32,000

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget amendment for the Employee Benefits as requested amending \$27,645 from Account 101-58600-205, Employee Insurance, and \$4,355 from Account 101-39000, Unassigned Fund Balance, with a total of \$32,000 to Account 101-58600-299, Other Fringe Benefits.

The motion passed unanimously by roll call vote.

OTHER PUBLIC HEALTH & WELFARE:

The Finance Director requested approval of the following budget amendment to provide adequate funding for the payment of autopsies to complete the fiscal year. A copy of a letter from Forensic Medical was provided notifying the county that the price for autopsies increased from \$1,450 per autopsy to \$1,500 per autopsy effective January 1, 2012:

From: 101-39000 - Unassigned Fund Balance -	\$35,500
To: 101-55900-399, Other Contracted Services -	\$35,500

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget amendment for the payment of autopsies as requested amending \$35,500 from Account 101-39000, Unassigned Fund Balance, to Account 101-55900-399, Other Contracted Services.

The motion passed unanimously by roll call vote.

HUMAN RESOURCES:

Mrs. Sonya Stephenson, Human Resource Director, requested approval of the following budget transfer to provide adequate funding for the HR Coordinator position. The shortage occurred due to turnover. The current employee in the position has more experience than the previous employee had. Money is available in the Assistant's Account also due to turnover. The employee who left employment had more experience than the current employee:

From: 101-51310-103 - Assistants -	\$830
To: 101-51310-189 - Other Salaries & Wages -	\$830

Comm. Jordan moved, seconded by Comm. Peay to approve the budget transfer for the Human Resource Department as requested transferring \$830 from Account 101-51310-103, Assistants, to Account 101-51310-189, Other Salaries & Wages.

The motion passed unanimously by roll call vote.

GENERAL SESSIONS COURT:

Mrs. Wanda Watkins, General Sessions Court, requested approval of the following budget transfer to provide adequate funding for the Travel Account to complete the fiscal year utilizing available funds in Library Books:

From: 101-53300-432 - Library Books -	\$1,000
To: 101-53300-355 - Travel -	\$1,000

Comm. Shafer moved, seconded by Comm. Sandlin to approve the budget transfer for the General Sessions Court as requested transferring \$1,000 from Account 101-53300-432, Library Books, to Account 101-53300-355, Travel.

The motion passed unanimously by roll call vote.

INFORMATION TECHNOLOGY:

The Finance Director requested approval of the following budget transfer for the Information Technology Department. The Tech Support Manager is leaving employment. This amendment will provide funding to pay the accumulated leave and related benefits:

From:	101-52600-169 - Part Time Personnel -	\$8,419
To:	101-52600-121 - Data Processing Personnel -	\$7,004
	101-52600-204 - State Retirement -	1,391
	101-52600-209 - Disability Insurance -	24

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget transfer for the Information Technology Department as requested transferring \$8,419 from Account 101-52600-169, Part Time Personnel, with \$7,004 to Account 101-52600-121, Data Processing Personnel, \$1,391 to Account 101-52600-204, State Retirement, and \$24 to Account 101-52600-209, Disability Insurance.

The motion passed unanimously by roll call vote.

SHERIFF'S DEPARTMENT & JAIL:

Sheriff Robert Arnold and Chief Deputy Joe Russell requested approval of the following budget amendments to provide additional funding for Custodial Supplies; to recognize revenue from contributions from Government Agencies to be used for the Jail Other Supplies and Materials for the community vegetable garden; and to recognize money billed to the Board of Education for the Sheriff's Department to provide security at school events (for payment to employees 1/1/2012 through 4/29/2012). While the vast majority (\$53,387.03) of the reimbursement is for work performed by employees of the Sheriff's Department, Mr. Russell advised that he was requesting that the money be placed into the Jail Overtime Pay and the related benefits:

From:	101-54110-708 - Sheriff/Communication Equipment -	\$ 4,000
	101-54210-399 - Jail/Other Contracted Services -	6,000
To:	101-54210-410 - Jail/Custodial Supplies -	\$10,000
Increase Revenue:	101-48130 - Contributions -	\$ 800
Increase Expend.:	101-54210-499 - Jail/Other Supplies & Materials -	\$ 800
Increase Revenue:	101-43541 - Contract for Administrative Service LEA's -	\$54,066
Increase Expend.:	101-54210-187 - Jail/Overtime Pay -	\$44,947
	101-54210-201 - Jail/Social Security -	2,787
	101-54210-204 - Jail/State Retirement -	5,680
	101-54210-212 - Jail/Employer Medicare -	652

Comm. Peay moved, seconded by Comm. Shafer to approve the budget amendments for the Sheriff's Department and Jail as requested transferring \$4,000 from Account 101-54110-708, Sheriff's Department Communications Equipment, and \$6,000 from Account 101-54210-399, Jail Other Contracted Services, with a total of \$10,000 to Account 101-54210-410, Custodial Supplies; increasing Revenue Account 101-48130, Contributions, by \$800; and increasing Expenditure Account 101-54210-499, Jail Other Supplies and Materials, by \$800; increasing Revenue Account 101-43541, Contract for Administrative Service LEA's, by \$54,066; and increasing Expenditure Accounts 101-54210-187, Jail

Overtime Pay by \$44,947; 101-54210-201, Jail Social Security by \$2,787; 101-54210-204, Jail State Retirement by \$5,680; and 101-54210-212, Jail Employer Medicare by \$652.

The motion passed unanimously by roll call vote.

SPECIAL PURPOSE FUND BUDGET AMENDMENTS:

Mr. Russell requested approval of the following Special Purpose (DEA) Fund budget amendments to transfer within the Special Purpose Fund to provide additional funding for Other Equipment to purchase a horse trailer for the mounted patrol; and to recognize revenue of \$1,143 to be used for In-Service Training:

From:	121-54110-335 - Maint./Repair Building -	\$5,000
To:	121-54110-790 - Other Equipment -	\$5,000
Increase Revenue:	121-47700 - Asset Forfeiture Funds -	\$1,143
Increase Expend.:	121-54110-196 - In-Service Training -	\$1,143

Comm. Peay moved, seconded by Comm. Jernigan to approve the budget amendments for the Special Purpose (DEA) Fund as requested transferring \$5,000 from Account 121-54110-335, Maint./Repair Building, to Account 121-54110-790, Other Equipment; and increasing Revenue Account 121-47700, Asset Forfeiture Funds, by \$1,143; and increasing Expenditure Account 121-54110-196, In-Service Training, by \$1,143.

The motion passed unanimously by roll call vote.

DRUG CONTROL FUND BUDGET AMENDMENT:

Mr. Russell next requested approval of the following budget transfer within the Narcotic budget to provide additional funding for the Overtime Pay:

From:	122-54150-115 - Sergeants -	\$12,000
To:	122-54150-187 - Overtime Pay -	\$12,000

Comm. Jernigan moved, seconded by Comm. Baum to approve the budget transfer for the Drug Control Fund as requested transferring \$12,000 from Account 122-54150-115, Sergeants, to Account 122-54150-187, Overtime Pay.

The motion passed unanimously by roll call vote.

INTERLOCAL AGREEMENT WITH CITY OF MURFREESBORO FOR SHARING IN THE 2012 BYRNE JUSTICE ASSISTANCE (JAG) GRANT PROGRAM:

Sergeant Philip Martin was present to request approval of the Interlocal Agreement with the City of Murfreesboro for sharing in the 2012 Byrne Justice Assistance (JAG) Grant Program.

Mayor Burgess advised that the deadline for submitting the JAG Interlocal Agreement to the Department of Justice was May 14. He explained that Sgt. Martin did not receive the information from the City of Murfreesboro until May 3. He advised that he had explained to Sgt. Martin that he would not execute the Agreement until it had been approved, at least, by the Budget Committee. He explained that the City of Murfreesboro and the county had been sharing the JAG Program award for the past several years.

Sgt. Martin advised that this year the Sheriff's Department would be maintaining what had been done in the past and would be focusing on equipment. He advised that it was being proposed to upgrade the handsets and match them to the new radio system. He advised that the county's share of the grant would be \$31,313.00, as well as the City's share would be \$31,313.00. There are no matching funds required.

Comm. Sandlin moved, seconded by Comm. Peay to authorize the County Mayor to execute the Interlocal Agreement with the City of Murfreesboro for sharing equally the 2012 Byrne Justice Assistance Grant (JAG) Program Award with the county's share to be \$31,313.00, and the City of Murfreesboro's share to be \$31,313.00. Additionally, to authorize the County Mayor to execute the Interlocal Agreement in order to meet the May 14 deadline and to report the same to the County Commission.

The motion passed unanimously by roll call vote.

SOLID WASTE/SANITATION FUND BUDGET AMENDMENTS

CONVENIENCE CENTERS:

Mr. Mac Nolen, Solid Waste Director, requested approval of the following budget transfers to provide adequate funding for the Diesel Fuel Account and the Tires and Tubes Account to complete the fiscal year:

From: 116-55732-724 - Site Development -	\$70,000
To: 116-55732-412 - Diesel Fuel -	\$70,000
From: 116-55732-733 - Solid Waste Equipment -	\$ 6,000
To: 116-55732-450 - Tires & Tubes -	\$ 6,000

The Finance Director requested approval of the following budget amendment to provide additional funding to transfer to the Self-Insurance Fund for the payment of liability claims:

From: 116-34730 - Assigned for Public Health & Welfare -	\$10,000
To: 116-58900-505 - Judgments -	\$10,000

Comm. Jordan moved, seconded by Comm. Jernigan to approve the budget transfers and amendment for the Solid Waste/Sanitation Fund as requested transferring \$70,000 from Account 116-55732-724, Convenience Centers Site Development, to Account 116-55732-412, Convenience Centers Diesel Fuel; transferring \$6,000 from Account 116-55732-733, Convenience Centers Solid Waste Equipment, to Account 116-55732-450, Convenience Centers Tires and Tubes; and amending \$10,000 from Account 116-34730, Assigned for Public Health & Welfare, to Account 116-58900-505, Miscellaneous Judgments.

The motion passed unanimously by roll call vote.

HIGHWAY FUND BUDGET AMENDMENT:

The Finance Director presented the following Highway Fund budget amendment for approval to provide funding to pay a claim settlement and to provide funding to establish reserves for other outstanding claims:

From: 131-61000-502 - Administration/Building & Contents Insurance -	\$ 4,358
131-61000-506 - Administration/Liability Insurance -	32,738
131-62000-409 - Highway/Bridge Maint. - Crushed Stone -	150,000
To: 131-61000-505 - Administration/Judgments -	\$187,096

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the budget amendment for the Highway Fund as requested amending \$4,358 from Account 131-61000-502, Administration Building & Contents Insurance; \$32,738 from Account 131-61000-506, Administration Liability Insurance; and \$150,000 from Account 131-62000-409, Highway and Bridge Maintenance Crushed Stone; with a total of \$187,096 to Account 131-61000-505, Administration Judgments.

The motion passed unanimously by roll call vote.

GRANT CONTRACT WITH TENNESSEE DIVISION OF ELECTIONS:

The Finance Director presented a Grant Contract with the Tennessee Division of Elections for approval for providing funding in the amount of \$141,474 for the lease of 146 MicroVote Infinity machines at a rate of \$969 each. No matching funds are required. She advised that the funding would be placed in the 2012-13 budget.

Comm. Jordan moved, seconded by Comm. Shafer to authorize the County Mayor to execute a Grant Contract with the Tennessee Division of Elections in the amount of \$141,474 for leasing 146 MicroVote Infinity Machines at a rate of \$969 each.

The motion passed unanimously by roll call vote.

GRANT CONTRACT WITH TENNESSEE DEPARTMENT OF MILITARY, EMERGENCY MANAGEMENT AGENCY:

Mr. Del Corbitt, County Engineer, requested approval of a Grant Contract with the Tennessee Emergency Management Agency for the provision of pass-through funding for the administration and completion of an approved hazard mitigation plan.

Mr. Corbitt explained that after the May 2010 flood, a grant application was submitted by the Emergency Management Department for assistance with flooded areas. Mr. Corbitt advised that his office would be over-seeing the work.

Mr. Corbitt advised that the total amount of the project was \$537,875 with a Federal share of \$403,406. The project non-federal share of \$134,469 will be equally shared by Rutherford County and the State of Tennessee with each entity providing \$67,234.60.

The scope of work will include acquiring and demolishing properties located at 6291 Florence Road, Smyrna, TN; 508 Deerfield Drive, Murfreesboro, TN; and 6988 Old Woodbury Pike, Murfreesboro, TN and maintaining the property as open space. The period of performance for this grant shall be from March 9, 2012 through March 8, 2015. Mr. Corbitt advised that the property would belong to Rutherford County, but a structure could not be placed on the property. He stated that a ball field could be placed on the property, but not a stadium.

Mr. Corbitt advised that the grant had been awarded to Rutherford County, but the funding would need to be in next year's budget, because it would take some time to get the properties appraised and agreements with the homeowners.

Comm. Jordan asked if the \$67,235 match could be in-kind.

Mr. Corbitt advised that \$12,000 of the \$67,235 could be in-kind.

The Finance Director provided an analysis of the Development Tax funding reflecting that the beginning balance at the beginning of the fiscal year was \$2,980,484. With the revenue received throughout the year and projects that have been funded, the estimated ending fund balance at June 30, 2012 was \$1,699,684. She proposed to use the Development Tax to provide the matching funds of \$67,235 as a transfer to the General Capital Projects Fund with an estimated ending fund balance in the Development Tax after the request of \$1,632,449. She advised that any money not spent would be transferred back to the Development Tax at the end of the project.

Following discussion, Comm. Jernigan moved, seconded by Comm. Sandlin to authorize the County Mayor to execute the Grant Contract with the Tennessee Department of Military, Tennessee Emergency Management Agency in the amount of \$470,640.50 with the total cost of the project being \$537,875, and the non-federal share of \$134,469 to be equally shared by Rutherford County and the State of Tennessee at a cost of \$67,234.60 each. Additionally, that the county's share of \$67,234.60 be provided from the Development Tax as a transfer to the General Capital Projects Fund.

The motion passed unanimously by roll call vote.

CONTRACT WITH REGIONAL TRANSPORTATION AUTHORITY:

Mayor Burgess presented a proposed Contract with the Regional Transportation Authority for the Relax and Ride Program in the amount of \$19,555 for 2012-13. Mayor Burgess advised that all of the municipalities in Rutherford County were participating at a rate of \$19,555 with Davidson County's participation being \$41,904.

Comm. Peay stated that it appeared that the total contribution from all of the entities in Rutherford County was almost \$100,000 but Davidson County's contribution was only \$41,904.

Mayor Burgess stated that it was mostly Rutherford County riders using the service into Davidson County.

Following discussion, Comm. Sandlin moved, seconded by Comm. Jordan to authorize the County Mayor to execute the Contract with the Regional Transportation Authority for the Relax and Ride program for the 2012-13 Fiscal Year at a cost of \$19,555.

The motion passed unanimously by roll call vote.

AGREEMENT WITH APPERTAIN CORPORATION, SOUTH CENTRAL TENNESSEE DEVELOPMENT DISTRICT FOR DEAD STOCK REMOVAL:

Mayor Burgess presented a proposed Dead Stock Removal Service Agreement with Appertain Corporation, South Central Tennessee Development District in the amount of \$33,007.52. The initial term of the agreement shall be for a term of 12 months. Mayor Burgess advised that the cost of the Agreement was the same as the current year.

Comm. Peay moved, seconded by Comm. Jordan to authorize the County Mayor to execute the Dead Stock Removal Service Agreement with Appertain Corporation, South Central Tennessee Development District in the amount of \$33,007.52 beginning July 1, 2012.

The motion passed unanimously by roll call vote.

ENERGY EFFICIENT WATER UPGRADE PROPOSAL FOR RUTHERFORD COUNTY SCHOOLS:

Mr. Harry Gill, Director of Schools, Mr. Jeff Sandvig, Assistant Superintendent Budget & Finance, and Mr. Gary Clardy, Assistant Superintendent Engineering addressed the committee regarding the financing of a proposal from Excel Energy Group to replace lower efficiency commodes and sinks at a cost of \$1,461,013.

Mr. Gill advised that over the past nine years the Board of Education had done much to conserve energy including geo-thermal heating and cooling in schools, building smaller school envelope with lower ceilings, installed retrofitted lights and light sensors, used re-purified water for irrigation, energy efficient window projects, and changed to a white roofing membrane. Mr. Gill advised that the next appropriate measure would be to install energy efficient water upgrades. He stated that a considerable amount of time had been spent analyzing the schools over the last few months.

Mr. Gill advised that Excel Energy was proposing a district-wide energy efficient water project designed to generate real dollar savings exceeding the district's payment for the project. This paid from savings project is guaranteed to have zero financial risk to the district.

Excel Energy Group, Inc. conducted an audit of the Rutherford County Schools' facilities for the purpose of identifying outdated, inefficient, or deteriorated water systems and technology. The audit and subsequent evaluation led to the proposal of the following energy saving upgrades to the district's facilities:

1. Water Control Upgrades – The addition of approximately 4,136 water control units. This project is expected to conservatively generate annual savings of

\$223,533 at a net project cost of \$1,461,013 yields a payback of 6.5 years.

2. Standardization of Controls – This project will standardize the water/sewer products in use across the District's facilities thereby eliminating the need to stock many different products.
3. Total Package Financing – Excel will arrange financing for the District at 3.9% over 7 years. With semi-annual payments of \$120,259 (\$240,517 annually) the project provides 92% of the necessary cash flow over the life of the project.
4. Guaranteed Savings – Excel guarantees this project will generate enough savings to make 92% of the district's payment for the project. In addition to the operation and maintenance savings, the majority of the district's savings will be generated from lower water, sewer, gas, and electric bills.

Comm. Peay asked what the life of the fixtures would be.

Mr. Clardy stated that the school system had some fixtures that were 25 years old and were in good operating order. Mr. Clardy stated that he would expect that when the flow restrictors lost up to 25% of their efficiency, that they should be replaced.

Comm. Baum asked if it had been considered as to whether or not to replace the current sinks and commodes as they wore out rather than replacing them all at one time.

Mr. Clardy explained that the study that was done encompassed over 6,100 fixtures. He stated that 4,100 fixtures were being replaced. Therefore, there were 2,000 fixtures that were deemed not to be cost effective to replace them.

Comm. Baum asked what procedure was used to verify the savings claimed by Excel Energy.

Mr. Gill advised that every commode was flushed and every faucet in the county school system was checked.

Comm. Shafer asked if any research had been done to determine if the lighting program had generated the savings that was projected.

Mr. Gill stated that he knew there had been savings, but there were a lot of variables in comparing how much had been saved.

Comm. Jordan stated that when doing plumbing on old buildings, he would imagine some unforeseen problems would be found. He asked if Excel Energy would be responsible for fixing those problems and if so, would there be additional charges.

Mr. Clardy stated that Excel Energy would fix those problems as they were found. He stated that an allowance in the price included unexpected problems and repairs. He stated that there should not be any change orders.

Comm. Jordan stated that the Health & Education Committee forwarded to the Budget Committee the concept of Excel Energy to replace lower efficiency commodes and sinks at a cost of \$1,461,013 without a funding mechanism. He asked what the Finance Director's and the Mayor's recommendation was.

Mayor Burgess asked Mr. Gill what the School Board's recommendation was.

Mr. Gill advised that the School Board was recommending the 3.9% financing as proposed by Excel Energy. He stated that the School Board did not have the money in fund balance, and that the fund balance would be needed to open Stewarts Creek High School. He stated that Mr. Sandvig had advised that with the capital lease no funds would have to be shared with the City Schools.

The Finance Director stated that was correct that capital leases did not have to be shared with the city. She stated that she had explored other options to see if there was a cheaper way to finance the project. She stated that if the county borrowed the money, another \$135,000 would have to be borrowed to share with the city. In speaking with the county's financial advisors that would remove any savings that might be achieved by borrowing from a bank at a lower interest rate.

Mayor Burgess stated that he believed the capital lease was a reasonable approach. He stated that he would hope that Mr. Sandvig would reduce the budget for utilities for next year by \$223,000 and increase the budget for the annual payments on the lease by \$240,517.

Mr. Sandvig advised that he had done that, but that he had only included a half year for next year.

Mr. Caroom, Excel Energy, advised that the interest rate had been reduced to 3.7%.

Following discussion, Comm. Jernigan moved, seconded by Comm. Peay to authorize the School Board to enter into a Capital Lease with Excel Energy Group for a district-wide energy efficient water project at a total project cost of \$1,461,013 at 3.7% interest over seven years with semi-annual payments of \$120,259 (\$240,517 annually).

The motion passed unanimously by roll call vote.

EDUCATION CAPITAL PROJECTS FUND BUDGET AMENDMENTS:

Mr. Sandvig requested approval of the following Education Capital Projects Fund budget amendments totaling \$181,586. It reduces the account Committed for Capital Projects by \$165,485 in order to fund most of the \$180,086 in remaining expenditures for 2010-11 projects that had open purchase orders as of June 30, 2011. The amendment also recognizes \$16,101 in additional 2011/12 property tax revenues to balance the amendment and to cover \$1,500 in additional Trustee's Commission:

From:	177-34685 – Committed for Capital Projects -	\$165,485
Increase Revenue:	177-40120 – Trustee's Collect. Prior Year -	\$ 11,212
	177-40130 – Clerk & Master Collections -	4,889
Increase Expend.:	177-72310-510 – Trustee's Commission -	\$ 1,500
	177-91300-304 – Architects -	2,550
	177-91300-321 – Engineering Services -	4,240
	177-91300-335 – Maint./Repair Buildings -	160,030
	177-91300-722 – Regular Instruction Equip. -	13,266

Comm. Jernigan moved, seconded by Comm. Sandlin to approve the Education Capital Projects Fund budget amendment as requested amending \$165,486 from Account 177-34685, Committed for Capital Projects, and \$16,101 in additional 2011-12 property tax revenues in order to fund \$180,086 in remaining expenditures for 2010-11 projects that had open purchase orders as of June 30, 2011, \$1,500 in additional Trustee's Commission, and to amend \$15,206 in current year projects.

The motion passed unanimously by roll call vote.

CENTRAL CAFETERIA FUND BUDGET AMENDMENTS:

Mr. Sandvig requested approval of a Central Cafeteria Fund budget amendment adding a net \$2,329,546 in revenue to the budget and an additional \$2,177,423 in expenditures. The largest change is \$1,400,000 in USDA Commodities Revenue which is offset by \$1,400,000 expenditure for USDA Commodities. This is a reporting change requested by the state. The other increases and decreases adjust the budget for changes in the reimbursement amounts and the operating costs of the cafeterias.

Comm. Sandlin moved, seconded by Comm. Jernigan to approve the 2011-12 Central Cafeteria Fund budget amendments as requested amending \$2,329,546 in net revenues and \$2,177,423 in expenditures.

The motion passed unanimously by roll call vote.

GENERAL PURPOSE SCHOOL FUND BUDGET AMENDMENTS:

Mr. Sandvig next requested approval of the following General Purpose School Fund budget amendments reallocating \$29,717 within the state-funded Coordinated School Health Grant. Staffing changes were made this year, which freed up funds for materials, supplies, and equipment for the program:

From:	141-72120-189 – Other Salaries & Wages -	\$ 26,676
	141-72120-201 – Social Security -	1,654
	141-72120-212 – Employer Medicare -	387
	141-72120-524 – In-Service/Staff Development -	1,000
To:	141-72120-207 – Medical Insurance -	\$ 4,638
	141-72120-355 – Travel -	400
	141-72120-399 – Other Contracted Services -	1,000
	141-72120-499 – Other Supplies & Materials -	10,522
	141-72120-735 – Health Equipment -	13,157

Mr. Sandvig also requested approval of the following budget amendment reallocating \$28,780 within already budgeted state retirement to the major functions where it is needed. No new funds or positions are included in the amendment:

From:	141-71200-204 – Special Education State Retirement -	\$ 1,700
	141-71300-204 – Vocational Education State Retirement -	8,300
	141-72110-204 – Attendance State Retirement -	3,380
	141-72120-204 – Medical Services State Retirement -	5,000
	141-72130-204 – Other Student Support State Retirement -	7,900
	141-72215-204 – Alternative School State Retirement -	2,500
To:	141-71100-204 – Regular Education State Retirement -	\$ 570
	141-72260-204 – Adult Education State Retirement -	1,984
	141-72410-204 – Office of the Principal State Retirement -	13,200
	141-72510-204 – Fiscal Services State Retirement -	3,026
	141-72610-204 – Plant Operation State Retirement -	10,000

Comm. Sandlin moved, seconded by Comm. Shafer to approve the General Purpose School fund budget amendments as requested amending \$29,717 in expenditures within the state-funded Coordinated School Health Grant; and to amend \$28,780 in already budgeted state retirement.

The motion passed unanimously by roll call vote.

Chairman Ealy recessed the meeting at this time.

2012-2013 BUDGET OVERVIEW

GENERAL FUND:

The Finance Director presented the 2012 estimated revenue from current property taxes based on 2012 assessments of real and personal property totaling \$5,935,797,125 and assessments of \$170,000,000 for public utilities for a total of \$6,105,797,125. After the reserve for delinquency of 4.5%, and at the current property tax rate, the property assessments would generate \$133,781,681 in property taxes. The budget was based on a penny earning \$584,909 for the General Fund. Because of the property tax freeze, an additional penny for the General Fund would generate \$583,104, and an additional penny for the school system would generate \$495,755. Last year a penny generated \$575,281 for the General Fund and \$490,025 for the school system.

The Finance Director presented a summary of revenue for all funds, reflecting total revenue of \$423,304,528.

The Finance Director presented an analysis of the fund balance as of June 30, 2011. During the budget process last year, the estimated ending fund balance in the General Fund was \$15.2 million. After the books were closed, the actual ending fund balance at June 30, 2011 was \$16,734,250. She advised that during the current year, excluding the amendments approved at this meeting, the fund balance had been used to fund a total of \$1,180,694 in expenditures and projects.

The Finance Director advised that last year during the budget process, it was estimated that the ending fund balance would be \$13 million at June 30, 2012. Because of unspent appropriations and additional revenue, she was estimating that the ending fund balance for the General Fund at June 30, 2012 would be approximately \$15.2 million.

For the General Fund for 2012-13, the Mayor's recommendation was \$72,370,298 in projected revenue and \$76,029,895 in estimated appropriations, using \$3,659,597 of the Unassigned Fund balance. With an estimated beginning fund balance of \$15.2 million, the estimated ending fund balance at June 30, 2013 was \$11,540,403, which would be 15.2% of the appropriations.

The Finance Director presented a comparison of the 2011-12 General Fund budget and the 2012-13 General Fund budget summarized by salary & benefits, contracted services, supplies and materials, other charges, and capital items. She advised that the pay plan would add approximately \$1.6 million to the budget with benefits adding approximately \$875,000 due to increases for health insurance, state retirement, and retirees health matching. She explained the increases and decreases in the other categories.

The Finance Director presented an analysis of the Development Tax advising that she was estimating a beginning balance of \$1,632,500 with additional revenue of \$500,000 for 2012-13. The estimated expenditures included the GIS Fly-Over of \$200,000, Motlow contribution of \$100,000, and OIT Data Processing of \$200,000. The estimated ending balance in the Development Tax was \$1,632,500.

SOLID WASTE/SANITATION FUND:

The County Mayor's recommendation for the 2012-13 Solid Waste/Sanitation Fund reflected estimated revenue of \$2,707,500 and estimated expenditures of \$3,818,486 using \$1,110,986 of the fund balance. The estimated beginning fund balance at July 1, 2012 was \$3,155,000 with an ending fund balance at June 30, 2013 of \$2,044,014. The Solid Waste Fund does not receive any property tax revenue.

AMBULANCE SERVICE FUND:

The County Mayor's recommendation for the 2012-13 Ambulance Service Fund reflected projected revenue of \$11,352,694 and estimated appropriations of \$10,637,880 with an increase to the fund balance of \$714,814. The estimated beginning fund balance at July 1, 2012 was \$3,050,000, and the estimated ending fund balance at June 30, 2013 was \$3,764,814. The fund currently receives \$.0829 cents on the property tax rate.

INDUSTRIAL/ECONOMIC DEVELOPMENT FUND:

The County Mayor's recommendation for the 2012-13 Industrial/Economic Development Fund reflected projected revenue of \$24,698 and estimated appropriations totaling \$243,777. The estimated beginning fund balance at July 1, 2012 was \$831,140, and the estimated ending fund balance at June 30, 2013 was \$666,563 including principal note payments from the Smyrna/Rutherford County Airport Authority. The Finance Director reminded the committee that in the past this fund also received principal and interest payments from Wherry Housing, but they paid off their note this year. The only revenue the fund will receive next year will be interest on a note from SRCAA.

The expenditures in the fund include Destination Rutherford and the Economic Development Council.

Comm. Jordan asked what would happen to the fund in three years.

Mayor Burgess stated that the expenditures would have to be cut back or another source of funding would have to be found.

SPECIAL PURPOSE FUND:

The Finance Director explained that the Special Purpose Fund recorded revenue received from the DEA. She explained that in this fund, revenue could not be budgeted until received. She recommended that the balance of unspent appropriations at the end of the year be rolled over to the 2012-13 year.

DRUG CONTROL FUND:

The County Mayor's recommendation for the 2012-13 Drug Control Fund reflected projected revenue of \$440,500 and estimated expenditures of \$638,600 using \$198,100 of the fund balance. The estimated beginning fund balance at July 1, 2012 was \$339,575, and the estimated ending fund balance at June 30, 2013 was \$141,475. This fund receives no property tax.

HIGHWAY FUND:

The projected revenue for the 2012-13 Highway Fund was \$7,808,442 and estimated appropriations were \$9,378,799 using \$1,570,357 of the fund balances. The estimated beginning Assigned and Committed Fund Balances at July 1, 2012 were \$5,023,272, and the estimated ending Assigned and Committed Fund Balances at June 30, 2013 were \$3,468,860.

The Finance Director reminded the committee that last year additional property tax was added to the Highway Fund to help meet the maintenance of effort with the property tax going toward Public Works. For the Public Works portion of the budget, the estimated revenue was \$518,380, and the estimated expenditures were \$534,435, reducing the Committed Fund Balance for Public Works by \$15,945. The fund currently receives \$.014 cents on the property tax rate.

GENERAL PURPOSE SCHOOL FUND:

The projected revenue for the 2012-13 General Purpose School Fund was \$269,428,015, and the estimated appropriations were \$281,080,771 using \$11,652,756 of the fund balance. The estimated beginning Assigned Fund Balance at July 1, 2012 was \$17,000,000, and the estimated ending Assigned Fund Balance at June 30, 2013 was \$5,347,244.

The state requires a three percent fund balance in the General Purpose School Fund, which would be \$8,432,423. The General Purpose School Fund budget could not be adopted as presented. To balance the estimated revenue and the estimated appropriations an additional 23.51 cents would be needed. To maintain the three percent fund balance, an additional 6.22 cents would be needed. The General Purpose School Fund currently receives \$1.143 on the property tax rate.

CENTRAL CAFETERIA FUND:

The projected revenue for the 2012-13 Central Cafeteria Fund was \$17,733,200, and the estimated appropriations were \$18,033,200 using \$300,000 of the ending fund balance. The estimated beginning fund balance at July 1, 2012 was \$4,150,000, and the estimated ending fund balance at June 30, 2012 was \$3,850,000. The fund balance cannot exceed 25% of appropriations.

EDUCATION CAPITAL PROJECTS FUND:

The estimated revenue for the 2012-13 Education Capital Projects Fund was \$2,374,702, and the estimated appropriations totaled \$2,380,027 using \$5,325 of the ending fund balance. The estimated beginning fund balance at July 1, 2012 was \$1,246,605, and the estimated ending fund balance at June 30, 2013 was \$1,241,280. The fund currently receives \$.0451 on the property tax rate.

GENERAL DEBT SERVICE FUND:

The projected revenue for the 2012-13 General Debt Service Fund was \$39,064,479, and the estimated appropriations totaled \$41,651,683 using \$2,587,204 of the ending fund balance. The estimated beginning fund balance at July 1, 2012 was \$32,751,000, and the estimated ending fund balance at June

30, 2013 was \$30,163,796. The General Debt Service Fund currently receives \$.6262 cents on the property tax rate.

SUMMARY:

The Finance Director presented an estimated change in fund balances reflecting that across all funds \$20,588,590 of the fund balances would be used to fund the 2012-13 budget. She advised that the General Purpose School fund budget would have to be addressed.

SALARY PLAN:

Mayor Burgess advised that the \$1.6 million that had been mentioned as relating to the cost of the pay plan was comprised of putting the step increases in place, which cost approximately \$372,850. Another \$1.2 million in new money would be needed to fund the first phase of the plan cost. He stated the proposed pay plan would put the county in a position to equalize and pay employees consistently. He advised that the Human Resource Director had conducted a salary study, but data from that study was not included in the budget proposal.

Mrs. Sonya Stephenson, Human Resource Director, addressed the committee regarding the proposed salary plan for 2012-13. Ms. Stephenson advised that last year, Comm. Allen McAdoo appeared before the Budget Committee to request a 1.75% salary increase for those employees who had not received an increase since fiscal year 2007-08, topped out employees. At that time, the Budget Committee discussed as to whether or not that was the correct thing to do since a salary survey had not been completed to substantiate the request. She advised that salary surveys had been done every year, but had not been implemented due to the economy, revenue projections, etc. The 1.75% increase was given to those employees, but it was suggested that the Human Resources Office conduct a salary survey and provide the findings for the fiscal budget 2012-13.

She advised that a component of the salary survey was to look at counties that were comparable in size and revenue. The counties were weighted twice to that of the municipalities. The counties used in the analysis were Montgomery, Sumner and Williamson. The municipalities used were Franklin and Murfreesboro. Clarksville and Hendersonville chose not to participate in the survey.

With the results, all positions currently active within the county were analyzed to ensure that the position was in the correct grade based on the survey data. Each employee's work experience was evaluated to ensure that they were in the correct step, with the intention being to catch up prior steps held. Lastly, the pay table was expanded from one to twenty steps with 1.75% being between each step in an attempt to move to annual increases as opposed to bi-annual increases. Mrs. Stephenson advised that the goal was and is to ensure fairness, consistency and equity for all employees while being mindful of the tax payers, as well.

Mrs. Stephenson advised that in summary the proposed recommendations for the 2012-13 pay plan were: 1) expand the pay table from 10 to 20 steps using the same median as the current table but stratifying the table over 20 steps; 2) move to annual increases; 3) catch up steps from prior years using an evaluation formula (valuation was determined using the employee's county work history, years in the position, and years in other positions) on a percentage scale of 10% to 100% based upon the grade of the position that they were being evaluated; 4) move positions to their new grade based upon the survey data; and 5) maximum increase of \$5,000 annually and holding those that are over the salary range until they catch up.

Mrs. Stephenson explained that if nothing was done this year other than giving the employees in the General Fund step increases, it would cost approximately \$372,850. Mrs. Stephenson stated that she believed it would take three to five years to implement the entire pay plan, but if the first phase was implemented it would cost an additional \$1,234,000 in 2012-13. She stated that it would take next year before the median salaries, as determined by the salary survey, could be implemented.

Mayor Burgess stated that while the new pay table still reflects 14 pay grades, that would probably need to be expanded, as well. He stated that currently there was a big jump between grades.

Mrs. Stephenson stated that if the new pay plan was implemented, the proposal would be to implement the new median next year and to expand the table from one grade to 56 grades still remaining at 20 steps. She stated there would not necessarily be positions in every grade, but as the county had the need to implement a new position, there would be room to include that.

Comm. Jordan asked if the new median salary was implemented next year, would the cost of the pay plan be more expensive than this year. He stated if the county was looking at a tax increase next year, it could be decided that the pay plan could not be afforded. He stated that future commissions could not be committed to do anything.

Mayor Burgess stated if the new median was implemented next year, the county might only be able to afford 25% of it or 20%, etc.

Mrs. Stephenson stated that the evaluations that were done on every employee needed to be done. She stated that the proposal stayed with the same salaries, and that it only expanded the table to 20 steps, proposed to include annual pay increases instead of bi-annual increases, and cleaned up inequities that were caused by holding steps. She stated that this process was more about looking at an individual's work history with the county and were they where they should be even on the county's current pay table.

Comm. Baum stated that if the county remained with the current pay plan, it would cost \$372,850, and to implement this phase of a new plan would cost an additional \$1.2 million. He asked why the new pay plan was more appropriate than the pay plan that would only cost \$372,850.

Mrs. Stephenson stated that the data from 2005 was nine years old. Secondly, she stated that she looked at this phase as the cleanup phase, and there was a method in which to evaluate employees that was very consistent.

Comm. Peay stated that he might be able to support the recommendation this year, but he wanted to look at the entire budget. He stated if the county was looking at a property tax increase, and also giving pay increases, he would have to think about that, because he was not seeing that in the private sector.

Mayor Burgess stated that he believed that the 2012-13 County General budget would not require a property tax increase.

ADJOURNMENT:

Chairman Ealy reminded the committee that the next Budget Committee meetings would be held on Tuesday, May 15 and Wednesday, May 16 beginning at 5:30 P.M., and the committee would begin working on the General Fund.

Comm. Jeff Jordan noted that the joint meeting of the Health & Education Committee and the Budget Committee on May 22 at the School Board Central Office would begin at 5:00 P.M.

There being no further business to be presented at this time, Chairman Ealy declared the meeting adjourned at 8:18 P.M.

Elaine Short, Secretary